

## REQUEST FOR COUNCIL ACTION

**SUBJECT:** Stormwater Fee Changes

**SUMMARY:** New Stormwater Fees are being proposed for Council Approval. Increased revenues are needed to fund rising operating expenses and to build capital projects to help prevent neighborhood flooding.

**FISCAL**

**IMPACT:** Between \$853,956.64 and \$1,323,139.73 additional annual revenue into the Stormwater enterprise fund based on the option that is chosen.

**STAFF RECOMMENDATION:**

Staff recommends that Council adopt a new Stormwater fee based on three alternatives

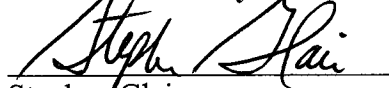
1. Raise the Storm Water Rate to \$6 per residential and commercial ERU and change the Commercial ERU calculation from 1 ERU per ¼ acre to 1 ERU per 6,000 Square Feet.
2. Raise the Storm Water Rate to \$6 per residential and commercial ERU and change the Commercial ERU calculation from 1 ERU per ¼ acre to 1 ERU per 8,000 Square Feet.
3. Raise the Storm Water Rate to \$6 per residential and commercial ERU.

**MOTION RECOMMENDED:**

"I move to adopt option # \_\_\_\_ to increase the Stormwater rates proposed in the staff report (or other alternative rates)."

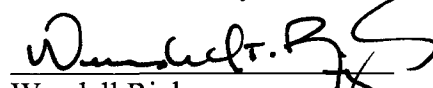
Roll Call vote required

**Recommended by:**



Stephen Glain  
Mgt. Asst. to City Manager

**Recommended by:**



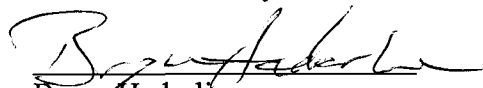
Wendell Rigby  
Public Works Director

**Recommended by:**



Ryan Bradshaw  
Finance Manager

**Recommended by:**



Bryce Haderlie  
Interim City Manager

## BACKGROUND DISCUSSION:

The Stormwater operations in West Jordan were funded by the Wastewater Fund for many years, until 2010 when the Stormwater Fund was formally created and a separate Storm fee was included on customer utility bills. The creation of the Stormwater Fund allows more accurate tracking of revenues and expenses specifically for storm related maintenance and capital projects. Currently, West Jordan charges an average of only \$15.81 per citizen per year. Neighboring cities charge between \$42.00 and \$25.00 per citizen per year.

Several neighboring cities have charged a Stormwater fee for many years. Here are some sample residential Storm fees as of 2014:

<u>City</u>	<u>2014 Storm Fee</u>
South Jordan	\$8.50
Midvale	\$7.62
Sandy	\$6.00
SLC	\$4.49
West Jordan	\$4.02
West Valley	\$4.00

The West Jordan Finance and Public Works Departments recently conducted a detailed analysis of projected operating expenses and capital projects over the next 10 years. Staff determined that additional revenue would be needed to adequately fund crucial construction projects to help prevent neighborhood flooding and meet state and federal Stormwater guidelines. This analysis was presented to City Council on Dec.17, 2014, where Council directed staff to prepare for a change in Stormwater rates as follows:

	Current Rate	Proposed New Rate - Option #1	Proposed New Rate - Option #2	Proposed New Rate - Option #3
Residential	\$4.02/mo.	\$6.00/mo	\$6.00/mo	\$6.00/mo
Commercial	\$4.02/mo per ¼ acre ERU	\$6.00/mo per 6,000 sq.ft. ERU	\$6.00/mo per 8,000 sq.ft. ERU	\$6.00/mo per ¼ acre ERU
Commercial Cap	20 acre cap on fee	11.02 acre cap on fee	14.69 acre cap on fee	20 acre cap on fee

The proposed Residential rate change is fairly straightforward. The proposed Commercial rate is based on property size. Some sample commercial property sizes and their fees are shown below:

Size of Property	Current Commercial Fee	Option #1 Commercial Fee	Option #2 Commercial Fee	Option #3 Commercial Fee
(acres)	<u>\$4.02 per 1/4 acre</u>	<u>\$6.00 per 6,000 SF</u>	<u>\$6.00 per 8,000 SF</u>	<u>\$6.00 per 1/4 acre</u>
0.25	\$4.02	\$10.89	\$8.17	\$6.00
0.5	\$8.04	\$21.78	\$16.34	\$12.00
0.75	\$12.06	\$32.67	\$24.50	\$18.00
1	\$16.08	\$43.56	\$32.67	\$24.00
5	\$80.40	\$217.80	\$163.35	\$120.00
10	\$160.80	\$435.60	\$326.70	\$240.00
20	\$321.60	\$480.00	\$480.00	\$480.00

The proposed Commercial Rates when compared to other cities are still the one of the lowest. An approximately 10 acre parcel will pay between \$5,500.00 and \$9,000.00 per year in neighboring cities. In West Jordan, they currently pay \$1,878.82. Option #1 would raise this to \$5,075.61, Option #2 to \$3,806.71, and Option #3 \$2,804.21.